

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2021-192-E

Dominion Energy South Carolina,
Incorporated Coal Retirement Docket Opened
Pursuant to Commission Order No. 2021-418

**DOMINION ENERGY SOUTH
CAROLINA, INC.'S RESPONSE IN
OPPOSITION TO INTERVENORS'
JOINT MOTION REQUESTING
AMENDED PROCEDURAL SCHEDULE
& CLARIFICATION OF SCOPE OF
PROCEEDING**

Dominion Energy South Carolina, Inc. ("DESC"), pursuant to S.C. Code Ann. Regs. 103-829 (2015), hereby files its response in opposition to the Joint Motion to amend the procedural schedule and clarification of the scope of the Coal Retirement Docket No. 2021-192 filed by Sierra Club, Southern Alliance for Clean Energy, South Carolina Coastal Conservation League, and Carolinas Clean Energy Business Association (collectively, "Intervenors"), and respectfully requests that the Public Service Commission of South Carolina ("Commission") deny the Joint Motion. Intervenors' Motion is based on a misinterpretation of the scope of the proceedings, is inconsistent with the Commission's prior orders and the law, and threatens to cause further delays to a complex, resource intensive and time consuming process to determine the optimum path forward for the future retirements of the Williams and Wateree coal units.

The Coal Retirement Study (the "Study") and the Transmission Impact Analysis (the "TIA") that will be presented for informational purposes in this matter are the first steps in a series of studies and decisions, that in keeping with the Commission Order No. 2020-832, will result in DESC presenting a proposed coal retirement schedule and generation replacement plan in its 2023

IRP. That preferred schedule and plan will then be implemented through procurement processes on the basis of which final generation replacement decisions will be made.

DESC proposed conducting a Coal Retirement Study for the Williams and Wateree Units in its testimony in Docket No. 2019-226-E. (Prefiled Rebuttal Testimony of Eric Bell, page 23). As Mr. Bell stated in that proceeding, a full retirement study is complex, resource intensive and expensive, particularly given the requirement for stakeholder input at all stages of the evaluation. Order No. 2020-832 at 37 citing Tr. p. 65.21, 11. 18-20. At stake is nothing less than reliable service to customers. Accordingly, in Order No. 2020-832, at p. 17, the Commission ordered DESC to perform the analysis and to present its coal retirement plan “targeting the 2023 IRP.” *Id.* (“Upon completion of the coal retirement study – and targeting the 2023 IRP – DESC shall begin modeling coal retirement as an option in the various scenarios.”).

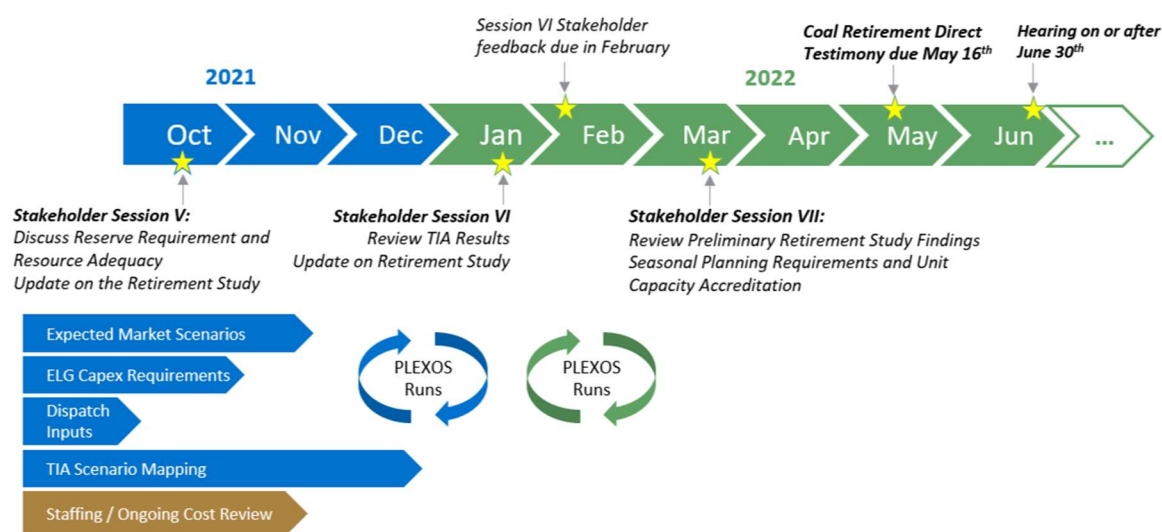
This remains the plan to this day. DESC’s transmission planning group has prepared a TIA which provides initial estimates of the transmission costs and construction schedules required to support the Williams and Wateree retirements under five initial scenarios. The TIA was performed using study methods consistent with those used by DESC when it performs transmission planning and reliability studies required under National Electric Reliability Council (“NERC”) standards. The TIA evaluated five coal unit retirement and replacement cases selected in careful consultation with the IRP and Coal Retirement stakeholder group. See, Report filed Jan 7, 2022, Docket No. 2021-192-E.

At the time of this filing, the Company and its third-party consultant Charles River Associates (“CRA”) are in the final stages of preparing the draft Coal Retirement Study (the “Study”) incorporating information from the TIA and market scenario optimizations using the PLEXOS software. The inputs for this study have been carefully reviewed with stakeholders

through multiple stakeholder meetings facilitated by CRA.¹ They include gas price forecasts, CO₂ prices forecasts, system load growth forecasts, cost estimates for renewable and non-renewable technologies and DSM savings levels.

DESC and CRA plan to present the preliminary findings of the Study to the stakeholders in late March for additional review and comment. DESC and CRA will then finalize the Study during April and early May and present it to the Commission, along with the TIA, in the prefiled direct testimony in this docket. It will do so for information purposes to show the Commission that DESC is proceeding on schedule as ordered by the Commission in Order No. 2020-832. The stakeholder review schedule is as follows:

Retirement Study Schedule Review



¹ See Stakeholder Reports filed in Docket No. 2019-226-E: <https://dms.psc.sc.gov/Attachments/Matter/b1384c7c-9955-4236-817d-0cba93f432c9> (Filed June 11, 2021); <https://dms.psc.sc.gov/Attachments/Matter/0a21101a-ac28-47fb-bb5f-b6278e46a6b4> (Filed August 16, 2021); <https://dms.psc.sc.gov/Attachments/Matter/a67e2e0d-680f-4eaf-ad09-95495723b34f> (Filed February 11, 2022).

While the Study will inform modeling for the 2022 IRP Update, as Order No. 2020-832 requires, it will by no means provide a basis for substantive decisions concerning either the scheduling of coal unit retirements or the selection of associated replacement technologies. Those decisions can only be made when, among other things, DESC has completed competitive procurement for replacement resources that will be subject to the Commission providing required regulatory approvals, including any approvals required under the Siting Act.

Additional studies are also required to quantify the transmission costs associated with likely generation replacement scenarios. The TIA provides an initial quantification of transmission costs associated with five generic retirement and generation replacement plans. But these are only preliminary cost estimates and not necessarily representative of the specific generation retirement and replacement scenarios that the modeling for the 2023 IRP will produce. Finalizing transmission costs will ultimately require completion of additional transmission studies including a Large Generator Interconnection study by the Transmission Planning group based on the actual location and configuration of the envisioned replacement assets.

In addition, to ensure reliable service to the South Carolina Low Country, DESC must coordinate its coal retirement planning with Santee Cooper's coal retirement studies and plans. DESC's system is extensively interconnected with that of Santee Cooper. Santee Cooper's plans and studies have not been finalized.

For these reasons, conducting any substantive evaluation of alternative coal retirement scenarios in this docket is premature. The necessary data and analysis are not yet available. Accordingly, in the order noticing the hearing in this matter the Commission stated that the purpose of this proceeding is "so that the company and the parties can advise the Commission on an

appropriate *procedural schedule* along with any statutory or regulatory deadlines that might need to be addressed.” Order No. 2021-418 (emphasis supplied).

DESC understands the Commission’s reference to “statutory and regulatory deadlines” to mean the deadlines associated with the EPA’s Generation Effluent Limitation Guidelines (“ELGs”), which were a point of concern and Commission questioning in the 2020 IRP proceeding. Accordingly, in this docket, DESC will present the TIA and the Study, and explain what impact the *schedule* information they contain will have on ELG compliance.

These schedule issues are engineering matters concerning the anticipated time required to design, permit and construct electrical and natural gas assets, and coal unit wastewater effluent treatment systems. They do not require extensive PLEXOS modeling, as the Intervenors suggest in asking for a revised schedule. They provide no basis for expanding this proceeding into a premature evaluation of coal unit retirement and replacement planning as Intervenors seem to intend. The necessary evaluation will occur in the 2023 IRP.

At this juncture, consideration of substantive matters apart from Commission oversight of the schedule for completing these studies is premature. The evaluation that DESC will present in the 2023 IRP requires data that must be created through studies and procurement processes that must be completed between now and 2023. For that reason, this docket will not contain the factual record necessary to make substantive decisions concerning coal unit retirement schedules or replacement plans and doing so would be highly ill-advised.

In addition, expanding this proceeding would be counterproductive given the time and resources needed to support the planning and stakeholder consultation that must be done between now and filing the 2023 IRP. As noted in the Company’s correspondence to Intervenors, there are a “tremendous” number of things that need to be done between now and the 2023 IRP docket:

The things that need to be done include preparing and filing the 2022 IRP Update, which will involve the first use of resource optimization modeling for a DESC IRP, as well as completing reserve margin studies, a new DSM potential study, revisions to the reliability matrix, updates to multiple planning inputs and other matters that are being discussed in the stakeholder process.

Intervenors' Joint Motion, Exhibit A. The resources required to accomplish these tasks should not be wasted by expanding the scope of this proceeding to prematurely consider matters beyond what the Commission has noticed. Instead, as the Commission has ordered, this docket should be limited to an opportunity for the parties to "advise the Commission on an appropriate procedural schedule" in light of the statutory and regulatory guidelines associated with ELG compliance and the timetable for completing the tasks required to support the 2023 IRP.

For these reasons, DESC respectfully requests the Commission deny Intervenors' Motion to Amend the Procedural Schedule and Clarification of the Scope of Proceeding and to affirm the scope of the proceeding as noticed in Order No. 2021-418.

Respectfully submitted,

/s/K. Chad Burgess

K. Chad Burgess, Esquire
220 Operation Way - MC C222
Cayce, SC 29033
(803) 217-8141
chad.burgess@dominionenergy.com

/s/Matthew W. Gissendanner

Matthew W. Gissendanner, Esquire
220 Operation Way - MC C222
Cayce, SC 29033
(803) 217-5359
matthew.gissendanner@dominionenergy.com

/s/Belton T. Zeigler

Womble Bond Dickinson (US) LLP
1221 Main Street, Suite 1600
Columbia, SC 29201
(803) 454-7720
belton.zeigler@wbd-us.com

Attorneys for Dominion Energy South Carolina, Inc.

March 14, 2022
Cayce, South Carolina